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Credit Union Takes Unorthodox Approach to Developing IT System for Member Care

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Summary Analysis

- **Problem** – Information about credit union members was spread out among many different applications. BECU wanted to present all transactional activity and communication records in a single view.
- **Solution** – Member care framework based on Microsoft Dynamics CRM.
- **Rationale** – Software was lighter weight, more developer friendly and less costly than competitive alternatives. Solid development roadmap too.
- **Results** – BECU member consultants now have a current summary of member transactions, interactions and product eligibilities in a single view. The credit union is highly recommended and adds 7,000 to 8,000 new members monthly.
- **Observations** – Think big for CRM because it can do much more than track customer interactions. When designing an IT system, start with the customer or stakeholder experience you want to create, then consider technology.

The credit union BECU took an unorthodox approach to defining its next-generation IT system. BECU sent 10 people from its member solutions group whose primary job was engaging with credit union members to the Disney Institute in Florida for professional training and to develop an IT vision. These were non-technical and non-senior management personnel. “Their charter was to come back with a dream of a member care framework for how we can provide an exceptional experience to our members,” said Butch Leonardson, Senior VP and CIO of BECU.

[BECU](#), headquartered in Tukwila, Washington, is a community charter credit union in the state of Washington. It has 50 branches, 1,000 employees and 730,000 members, the majority of which are clustered around the Interstate 5 corridor in Western Washington.

While it may be unusual to assign staff other than IT and senior management with the task of proposing a major new IT system, it was consistent with BECU’s “outside-in” IT philosophy. Leonardson elaborated, “We stress the point that there is no such thing as an IT project. Every project starts with a vision for the member experience that we desire

and then works backwards to the technology.” From this perspective, it made sense to start the IT project with the personnel who were most directly engaged with credit union members.

More to the point, it worked. The group came back with a compelling vision for a member care framework consisting of three parts: Member View which presents a holistic view of each member’s accounts and transactions; Member Interaction Tracking which presents a current summary of all communications and interactions with the credit union; and Member Access which automatically ranks

members based on financial metrics and determines their eligibility for products and rates.

Member Care Framework

To implement this framework, BECU needed a software platform that could bring together information from many disparate applications and present it in a unified manner. They selected Microsoft Dynamics CRM because it seemed lighter weight and more developer friendly and cost less than competitive alternatives. They also liked Microsoft's roadmap for developing and evolving the product.

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Member View was the first component they developed. Prior to Member View, when a credit union member walked into a branch or called on the phone, the member consultant or call center representative did not have an up-to-date, 360-degree view of that person's transactional activity. They could get it, but it would take several minutes of cutting and pasting across multiple applications to assemble a complete picture because the transactions came from a variety of channels, such as online, phone, mobile and ATM. Like most medium-sized banks, BECU used commercially-available software and transactional data was spread across many applications supporting these channels. Member View brought all of that data together in a holistic view.

Member Interaction Tracking followed. It presented a similar holistic view of communications between members and the credit union. "If you have a conversation with us or you attempt to do something online or on the phone through our integrated voice response system, we know about the conversation and we also know where you dropped off attempting to do something. So when you reach a representative, that representative knows exactly where you abandoned the automated process," said Leonardson. Therefore callers do not have to re-identify themselves or re-explain what they were attempting to do before switching to a live representative.

The third component, Member Access, made it easier to present each member with a customized set of products and rates. By leveraging business intelligence (BI) software to analyze financial metrics such as account balances, credit scores, and how long that person has been with the credit union, Member Access automatically determined a member's eligibilities.

Proof Is in the Pudding

When the member care framework was complete, it presented a current summary of member transactions, interactions and relevant product eligibilities in a single view. Member consultants loved it because it made their jobs easier and streamlined interactions with members. BECU even won an IT award for the system. What about the credit union members themselves? While they do not interact directly with the system, they seem to like their experience with BECU. The credit union's net promoter score, which measures how likely members are to recommend it to friends and family, is in the 75% range as compared to 25 to 35% for major banks, according to Leonardson. BECU also adds 7,000 to

8,000 new members per month. The proof is in the pudding, so to speak.

Toward One-Click Fulfillment

Yet BECU is not standing still. After using the system for 2 or 3 years, member consultants began to ask if they could also execute transactions directly within Member View. Now BECU is layering a portal on top of its transactional applications and integrating them with Member View. "It solves the problem that most branches and call centers worldwide have, which is whatever you want me to do, Mr. Customer, I need to go into that application to get it done. Car loans, mortgages, Visa cards are all different systems. Now this portal will homogenize everything and make it all look like one environment," said Leonardson.

Ultimately BECU's wants to achieve what they call "one-click fulfillment." This refers to an end-to-end digital enterprise that eliminates the need for written forms and signatures. The goal is to minimize process and maximize engagement with credit union members.

Hearts and Minds

Leonardson considers the journey of developing this member care framework to be a tangible aspect of his greater concern as CIO for the IT organization's shared values and morale: "Do I have seventy five people who wake up in the morning and say, 'Wow, I have a great gig.' I think a vast majority of people have a desire to be valued, to be in the middle of something important. And if you can provide that authentically, you are going to have a great organization. That is the center of my gravity as a leader."

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"Somebody called me a unicorn CIO because the stuff I think about is so different from most CIOs. If you looked at the org chart for our IT organization, it would look very normal. We have two VPs and seven managers. There is nothing unique about the way we are organized. We think what we do as leaders is more than lead functions. We lead hearts and minds," he said.

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